

REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 1.3, 1.5, 4)

(Reprinted with amendments adopted on May 13, 2015)

SECOND REPRINT

S.B. 312

SENATE BILL NO. 312—SENATOR KIECKHEFER

MARCH 16, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to certain taxes.
(BDR 21-834)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxing districts; imposing, in a city that has created a taxing district to improve and maintain publicly owned facilities for tourism and entertainment, in addition to any other surcharge, a surcharge on the per night charge for the rental of a room in a hotel in the district other than a hotel that holds a nonrestricted gaming license; imposing, in a city that has created such a taxing district, in addition to any other surcharge, an additional surcharge on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license; providing that the surcharges must be collected and used by the county fair and recreation board only for specified purposes; creating in a county in which is located a city that has created a taxing district to improve and maintain publicly owned facilities for tourism and entertainment a district for the promotion of tourism comprised of certain property within the county, including property located within any city in the county, other than property located in the district created by the city; requiring the board of county commissioners of the county to prescribe the boundaries of the district; imposing a surcharge on the per night charge for the rental of a room in a hotel in the district; providing that the money collected from the surcharge must be collected and used by the county fair and recreation board only for specified purposes; and providing other matters properly relating thereto.



* S B 3 1 2 R 2 *

Legislative Counsel's Digest:

Existing law authorizes the governing body of a city whose population is 220,000 or more in a county whose population is 100,000 or more but less than 700,000 (currently only the City of Reno) by ordinance to create a district to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment. Existing law requires that such an ordinance be approved by a two-thirds majority of the members of the governing body. Existing law also requires that the ordinance impose a surcharge of \$2 on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license and provides that the proceeds of the surcharge must be used by the city solely to pay the cost of improving and maintaining publicly owned facilities for tourism and entertainment in the district or within 1 mile outside the boundaries of the district, except for a minor league baseball stadium. (NRS 268.798)

Section 1.3 of this bill imposes, in a city that has created a district to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment, a surcharge of \$2 on the per night charge for the rental of a room in a hotel in the district, other than a hotel that holds a nonrestricted gaming license. **Section 1.5** of this bill imposes, in a city that has created such a district, an additional surcharge of \$1 on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license. **Sections 1.3 and 1.5** require the county fair and recreation board to collect the surcharges and expend the money only for the purposes authorized by **section 4.5** of this bill.

In any county in which is located a city that has created a district to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment, **section 4** of this bill creates a district for the promotion of tourism in the region. **Section 4** also requires the board of county commissioners to adopt an ordinance prescribing the boundaries of the district, which must include within its boundaries all property: (1) which is located in the county and located in any city in the county other than property that is located within a district created by a city to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment; and (2) which is located not more than 20 miles from the boundaries of any such district created by a city. **Section 4** imposes a \$2 surcharge on the per night charge for the rental of a room in a hotel in the district and requires the county fair and recreation board to collect the surcharge and expend the money only for the purposes authorized by **section 4.5**.

Section 4.5 requires a county fair and recreation board that collects any money from the surcharge imposed by **section 1.3, 1.5 or 4** to create an account into which all such money must be deposited. **Section 4.5** authorizes the board to expend the money to implement a strategic plan for the promotion of tourism in the region. **Section 4.5** also requires the board, every 5 years, to prepare and submit to the Legislature a report concerning the expenditure by the board of any money received from the surcharge imposed by **sections 1.3, 1.5 and 4**.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 268 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.5 of this act.

Sec. 1.3. 1. *In a city in which a district is created and a surcharge is imposed pursuant to NRS 268.798, there is hereby imposed a surcharge of \$2 on the per night charge for the rental of a room in a hotel in the district other than a hotel that holds a*



1 *nonrestricted gaming license. The surcharge must not be applied*
2 *for any time during which the room is provided to a guest free of*
3 *charge.*

4 2. *The proceeds of the surcharge imposed by this section*
5 *must be collected by the county fair and recreation board created*
6 *by NRS 244A.601 in accordance with the provisions of section 4.5*
7 *of this act. The money must be deposited in the account created*
8 *pursuant to section 4.5 of this act and used only for the purposes*
9 *set forth in that section.*

10 3. *The proceeds of the surcharge and any interest or income*
11 *earned on such money may not be used for the purposes of*
12 *promoting or marketing professional bowling.*

13 4. *As used in this section, "hotel" has the meaning ascribed*
14 *to it in section 3.75 of this act.*

15 **Sec. 1.5.** 1. *In a city in which a district is created and a*
16 *surcharge is imposed pursuant to NRS 268.798, in addition to the*
17 *surcharge imposed pursuant to that section, there is hereby*
18 *imposed a surcharge of \$1 on the per night charge for the rental*
19 *of a room in a hotel in the district that holds a nonrestricted*
20 *gaming license. The surcharge must not be applied for any time*
21 *during which the room is provided to a guest free of charge.*

22 2. *The proceeds of the surcharge imposed pursuant to this*
23 *section must be collected by the county fair and recreation board*
24 *created by NRS 244A.601 in accordance with the provisions of*
25 *section 4.5 of this act. The money must be deposited in the account*
26 *created pursuant to section 4.5 of this act and used only for the*
27 *purposes set forth in that section.*


28 3. *The proceeds of the surcharge and any interest or income*
29 *earned on such money may not be used for the purposes of*
30 *promoting or marketing professional bowling.*

31 4. *As used in this section, "hotel" has the meaning ascribed*
32 *to it in section 3.75 of this act.*

33 **Sec. 2.** (Deleted by amendment.)

34 **Sec. 3.** NRS 244.3359 is hereby amended to read as follows:

35 244.3359 1. A county whose population is 700,000 or more
36 shall not impose a new tax on the rental of transient lodging or
37 increase the rate of an existing tax on the rental of transient lodging
38 after March 25, 1991, except pursuant to NRS 244.3351, 244.3352
39 and 244.33561.

40 2. A county whose population is 100,000 or more but less than
41 700,000 shall not impose a new tax on the rental of transient lodging
42 or increase the rate of an existing tax on the rental of transient
43 lodging after March 25, 1991, except pursuant to NRS 244.33561 
44 *and section 4 of this act.*



3. Except as otherwise provided in subsection 2 and NRS 387.191, the Legislature hereby declares that the limitation imposed by subsection 2 will not be repealed or amended except to allow the imposition of an increase in such a tax for the promotion of tourism or for the construction or operation of tourism facilities by a convention and visitors authority.

Sec. 3.5. Chapter 244A of NRS is hereby amended by adding thereto the provisions set forth in sections 3.75, 4 and 4.5 of this act.

Sec. 3.75. *As used in this section and sections 4 and 4.5 of this act, unless the context otherwise requires, "hotel" means a building occupied or intended to be occupied for compensation, as the temporary residence for transient guests, primarily persons who have residence elsewhere. A hotel has an interior hall and lobby with access to each room from the interior hall or lobby.*

Sec. 4. 1. *In a county in which is located a city that has created a district and imposed a surcharge pursuant to NRS 268.798, there is hereby:*

(a) Created a district for the promotion of tourism; and

(b) Imposed a surcharge of \$2 on the per night charge for the rental of a room in a hotel in the district. The surcharge must not be applied for any time during which the room is provided to a guest free of charge.

2. As soon as practicable on or after July 1, 2015, but on or before October 1, 2015, the board of county commissioners shall adopt an ordinance prescribing the boundaries of the district created by paragraph (a) of subsection 1, which:

(a) Must include within it all property within the county and within each city in the county that is:

(1) Not located within a district created pursuant to NRS 268.798; and

(2) Located not more than 20 miles from the boundaries of a district created pursuant to NRS 268.798; and

(b) Must not include within it any property located within a district created pursuant to NRS 268.798.

3. The surcharge imposed by this section is in addition to any other license fee, tax or surcharge imposed on the revenues from the rental of transient lodging. The surcharge must be collected by the county fair and recreation board in accordance with the provisions of section 4.5 of this act. The money must be deposited in the account created pursuant to section 4.5 of this act and used only for the purposes set forth in that section.

4. The proceeds of the surcharge and any interest or income earned on such money may not be used for the purposes of promoting or marketing professional bowling.



1 **Sec. 4.5. 1. A county fair and recreation board that collects**
2 **any proceeds of the surcharges imposed by section 1.3, 1.5 or 4 of**
3 **this act:**

4 **(a) Shall create an account administered by the board and**
5 **deposit into such account all proceeds collected by the board from**
6 **the surcharges imposed by sections 1.3, 1.5 and 4 of this act. The**
7 **money in the account, including any interest and income earned**
8 **on such money, must not be transferred to any other fund or**
9 **account or used for any purpose other than the purposes set forth**
10 **in subsection 2.**

11 **(b) Shall prescribe a procedure for the collection of the**
12 **surcharges imposed by sections 1.3, 1.5 and 4 of this act, which**
13 **may include, without limitation, procedures for the enforcement of**
14 **the collection of any delinquent surcharges and the provision of**
15 **penalties in connection therewith, including, without limitation,**
16 **the suspension of the business license issued by a county, city or**
17 **town to a hotel and the closure of a hotel for failure to pay any**
18 **surcharges imposed by section 1.3, 1.5 or 4 of this act.**

19 **(c) May adopt rules and regulations concerning the collection**
20 **and administration of the surcharges imposed by sections 1.3, 1.5**
21 **and 4 of this act and provide penalties for the failure to comply**
22 **therewith.**

23 **2. All money collected by a county fair and recreation board**
24 **from the proceeds of the surcharges imposed by sections 1.3, 1.5**
25 **and 4 of this act must be used to implement a strategic plan for the**
26 **promotion of tourism in the region. The strategic plan:**

27 **(a) Except as otherwise provided in paragraph (b), may**
28 **provide for the expenditure of any money received from the**
29 **proceeds of the surcharges imposed by sections 1.3, 1.5 and 4 of**
30 **this act:**

31 **(1) For the purposes set forth in NRS 244A.597.**

32 **(2) For the maintenance of public recreational facilities**
33 **located in the county which are owned by the county or an**
34 **incorporated city in the county or under the control of the county**
35 **fair and recreation board.**

36 **(3) To carry out projects designed to encourage tourism or**
37 **to improve access by tourists to airports located in the county.**

38 **(4) To solicit and promote tourism, gaming and the use of**
39 **public recreational facilities of the community or area, which may**
40 **include advertising the facilities under the control of the county**
41 **fair and recreation board and the resources of the community or**
42 **area, including tourist accommodations, transportation,**
43 **entertainment, gaming and climate. Such advertising may be done**
44 **jointly with a private enterprise. The county fair and recreation**
45 **board may enter into contracts for advertising pursuant to this**



1 *subparagraph and pay the cost of the advertising, including a*
2 *reasonable commission.*

3 *(5) For any other purpose identified in the strategic plan.*

4 *(b) May not provide for the expenditure of any money received*
5 *from the proceeds of the surcharges imposed by sections 1.3, 1.5*
6 *and 4 of this act for the operational expenses of the county fair*
7 *and recreation board or for the purposes of promoting or*
8 *marketing professional bowling.*

9 *3. On or before January 15, 2021, and on or before*
10 *January 15 of each fifth year thereafter, a county fair and*
11 *recreation board that collects any money from the surcharge*
12 *imposed and collected pursuant to section 1.3, 1.5 or 4 of this act*
13 *shall prepare and submit to the Director of the Legislative Counsel*
14 *Bureau for transmission to the next regular session of the*
15 *Legislature a written report which must:*

16 *(a) Address, without limitation, the total amount collected from*
17 *the surcharges imposed by sections 1.3, 1.5 and 4 of this act;*

18 *(b) Address, without limitation, the total amount expended by*
19 *the board to carry out the purposes set forth in this section; and*

20 *(c) Cover the 5-year period immediately preceding the*
21 *submission of the report.*

22 **Sec. 5.** The provisions of subsection 1 of NRS 218D.380 do
23 not apply to any provision of this act which adds or revises a
24 requirement to submit a report to the Legislature.

25 **Sec. 6.** This act becomes effective on July 1, 2015.

